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CONSTITUTION

— OF THE —

HALIFAX CLEARING-HOUSE ASSOCIATION.

JANUARY, 1888.

124 GRANVILLE ST., HALIFAX, N. S. :
T. C. ALLEN & Co., Booksellers, Stationers, and Printers.

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REMA ARCHIVES of Nova Scotia

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CONSTITUTION

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CONSTITUTION
OF THE
HALIFAX CLEARING-HOUSE ASSOCIATION.

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The undersigned Banks in the City of Halifax, for the purpose of effecting a more perfect and satisfactory settlement of the daily balances between them, hereby agree upon the following Articles of Association :

ARTICLE I.

The name of the Association shall be "THE HALIFAX CLEARING HOUSE ASSOCIATION."

ARTICLE II.

The daily exchanges between the several Banks shall be made at one place and at one time, and the payment of balances resulting from such exchanges shall be made as hereinafter set forth.

ARTICLE III.

The Cashiers and Managers of the several Banks shall constitute a Board of Management, the Chairman of which shall be elected annually at a meeting held the first Thursday of December, at Three o'clock, p. m. At all meetings of the Board a quorum for the transaction of business shall consist of Five, and a majority of the members present shall at all times determine whatever questions may be submitted.

ARTICLE IV.

It shall be the duty of the Board to procure from time to time a suitable room, to provide stationery, furniture, and whatever else may be deemed necessary ; and the several Banks shall bear the expenses incurred, share and share alike.

ARTICLE V.

The Board shall arrange with a Bank to act as the Clearing Bank. It shall be the duty of such Bank to receive the balances due from debtor Banks, giving the usual receipt therefor, and pay the creditor Banks, and be in all respects responsible for the money received by it in payment of the balances due by the respective Banks in the daily exchanges as for deposits received by the said Bank in its regular business, but the responsibility of the Clearing Bank is strictly limited to distribution among the creditor Banks; of the balances actually paid in by the debtor Banks on presentation of the usual Clearing-House Certificate properly discharged.

ARTICLE VI.

The hour for making the exchanges at the Clearing Room shall be 10.15 o'clock a. m., precisely. Between the hours of 11.30 and 12.30 the debtor Banks shall pay at the Clearing Bank the balances due by them respectively in Dominion legal tender notes. Between the hours of 12.30 and 1 the creditor Banks shall receive from the Clearing Bank the respective balances due to them, provided all the balances due from the debtor Banks shall then have been paid, but on no condition is any creditor balance, or portion thereof, to be paid until all the debtor balances have been settled.

ARTICLE VII.

Should any Bank fail to pay the balance due from it by 12.30 o'clock of the same day, such Bank shall be ruled out by such default, and notice thereof given immediately by the Cashier or Manager of the Clearing Bank to the respective banks, who shall furnish forthwith to the Clearing Bank the amount of such balance in proportion to their respective balances against the

defaulting Bank resulting from the exchanges of that day, and the amounts so furnished to the Clearing Bank shall constitute claims on the part of the responding Banks respectively against the defaulting Bank.

ARTICLE VIII.

Errors in the exchanges and claims arising from the return of cheques, or other causes, are to be adjusted by 11.45 o'clock of the same day, directly between the Banks which are parties thereto, and not through the Clearing Bank.

In case of the refusal or inability of any Bank to promptly refund to the Bank presenting such cheques, drafts, or other items returned, the Banks holding them shall report to the Clearing Bank the amount of same, and it shall be the Clearing Bank's duty to take from the settling sheets of both Banks, the amount of such cheques, drafts, or other items so reported and to re-adjust the clearing statements and declare the correct balance in conformity with the changes so made; provided, that such report shall be given to the Cashier or Manager of the Clearing Bank not later than 12 o'clock of the same day.

ARTICLE IX.

The foregoing Rules and Regulations may be amended at any meeting of the Board by a vote of the majority of the members present, notice in writing of the proposed amendments having been given at a previous meeting and lodged with the Chairman, who shall forthwith furnish each Bank with a copy.

ARTICLE X.

The Chairman shall call a meeting of the Board within 48 hours, on receiving in writing a requisition signed by three members.

ARTICLE XI.

The Assistant Receiver-General of the Dominion of Canada, located at Halifax, may be admitted to the privileges of the Clearing House.

ARTICLE XII.

Any Bank may retire from this Association by giving written notice to the Chairman of the Board between the hours of 1 and 3 o'clock, p. m., and paying its share of any expenses which may be then due, the retirement to take effect from the close of business of the day on which such notice is given. It shall be the duty of the Chairman to promptly notify the other Banks of such withdrawal.

ARTICLE XIII.

Article VIII does not refer to cheques deposited between the different Banks in the afternoons, and it is understood that after the cheque slip deposited in the afternoon has been initial- ed and returned to the depositing Bank, the items specified thereon shall be considered as certified, except those payable at other places or at other Branches or Agencies or the receiving Bank.

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